

Midwest Office

March 14, 2011

The Honorable Judson S. Gilbert II, Chair
House Tax Policy Committee
Anderson House Office Building, Room 519
Lansing, Michigan 48909-7514

RE: In Support of Historic Preservation Tax Credit Programs

Dear Chairman Gilbert and members of the Committee,

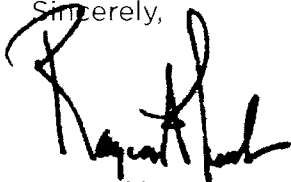
On behalf of the more than 4,600 Michigan members of the National Trust for Historic Preservation, thank you for the opportunity to testify about historic preservation tax credit programs. We recognize that Michigan, like many other states across the country, is struggling to create jobs while wisely managing the state's budget.

Based on our tracking of these types of incentives in 31 states over the past 15 years, we believe this programs offer taxpayers one of the best dollar-for-dollar job creation programs in existence. Programs like the one in Michigan:

- **Create more jobs per dollar output than either manufacturing or new construction.**
Because it is labor intensive, building rehabilitation creates 2 more jobs per \$1 million of new construction and 5.7 more jobs than manufacturing.
- **Generate Tax Revenue.** Because tax credits are not awarded until the project is complete, the state gains revenue from the taxes paid on materials and labor prior to the building's occupancy. For example, over \$11 of economic activity has been generated for every \$1 invested by the state in this program.
- **Leverage Federal Investment in Our Older Neighborhoods.** Having a state program increases the use – and the economic impact – of the federal rehabilitation tax credit program. Once Rhode Island offered a state tax credit, rehab projects increased more than 700%. Likewise, Michigan's state tax credit has leveraged an additional \$251 million in federal rehab to help revitalize the state's older neighborhoods.
- **Protect Agricultural Lands.** The revitalization of historic properties also helps protect agricultural lands by increasing redevelopment in older urban areas.

Since receiving our charter from Congress in 1949, the National Trust has worked to revitalize downtowns and neighborhoods across the country. Along with our partners, we oppose the elimination of the Michigan Historic Tax Credit and urge the House Tax Policy Committee to take whatever steps are needed to ensure the program remains in effect because of its demonstrated success in sparking reinvestment in older communities and creating jobs. We hope that this information proves helpful to your deliberations.

Sincerely,

A handwritten signature in black ink, appearing to read "Royce Yeater". The signature is stylized with a large initial "R" and a long, sweeping underline.

Royce Yeater, AIA
Midwest Director

cc: Pamela Hall O'Connor, Hon. AIA, National Trust Advisor
James Turner, National Trust Advisor
Brian D. Conway, State Historic Preservation Officer
Nancy Finegood, Executive Director, Michigan Historic Preservation Network